

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6953**

**BILL NUMBER:** SB 539

**NOTE PREPARED:** Dec 30, 2002

**BILL AMENDED:**

**SUBJECT:** County Home Account.

**FIRST AUTHOR:** Sen. Dillon

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** ☒ GENERAL  
☒ DEDICATED  
☐ FEDERAL

**IMPACT:** State & Local

STATE IMPACT	FY 2003	FY 2004	FY 2005
State Revenues			
State Expenditures		4,200,000	4,200,000
Net Increase (Decrease)		(4,200,000)	(4,200,000)

**Summary of Legislation:** This bill creates the County Home Account within the state General Fund and makes an appropriation to the account. The bill establishes nonmedical assistance payments to be made for county home residents to county homes. The bill requires the Office of the Secretary of Family and Social Services to make payments from the account to county homes.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** This bill makes an annual appropriation of \$4.2 M from the state General Fund to the new County Home Account. In addition, it sets forth payment guidelines for county home reimbursement. Licensed homes shall receive \$35 per resident per day, and unlicensed homes shall receive \$30 per resident per day. There are currently 22 unlicensed homes serving 254 residents and one licensed home serving 129 residents. The current rates vary based upon actual cost of services (see table below for current and proposed rates).

***Background:*** It is important to note that these specified rates represent the maximum state reimbursement. If all residents of county homes were eligible for assistance payments and the state paid the maximum rates,

the total cost to the state would be \$4.4 M. Resident contributions are applied to the cost of nonmedical services prior to state reimbursement. An individual is allowed to keep \$52 per month in income as a personal needs allowance (as set in statute). In addition, an individual who earns a paycheck is allowed to retain a larger portion of their income. Income above the personal needs allowance and other exempt income is applied towards the cost of housing and non-medical services. For example, an individual who receives \$500 per month in Social Security income has \$448 per month to apply to their costs at an ARCH facility. Assuming that it costs \$1,200 per month to stay in an ARCH facility, the amount eligible for state reimbursement is \$752, or \$25 per day. If the total cost exceeds the amount that the home can collect from the resident and the maximum state rate, the county is responsible for the difference.

<b>Provider</b>	<b>Current Rate*</b>	<b>Proposed Rate</b>	<b>Difference</b>
Golden Meadows	\$23.06	\$30.00	\$6.94
Parkview Home	\$8.57	\$30.00	\$21.43
Sunny Meadows Residential Home	\$23.46	\$30.00	\$6.54
Byron Residential Center	\$32.59	\$30.00	(\$2.59)
Walnut Creek Manor	\$16.09	\$30.00	\$13.91
Hendricks County Home	\$26.56	\$30.00	\$3.44
Howard Haven Residential Center	\$27.90	\$30.00	\$2.10
Jay County Retirement Center	\$16.35	\$30.00	\$13.65
Benton County Retirement Village	\$21.12	\$30.00	\$8.88
LaPorte County Home	\$23.41	\$30.00	\$6.59
Owen County Home	\$18.94	\$30.00	\$11.06
Maple View Rest Home	\$23.61	\$30.00	\$6.39
Porter County Home	\$24.88	\$30.00	\$5.12
Pleasant View Rest Home	\$23.14	\$30.00	\$6.86
Green Acres Residential Home	\$19.80	\$30.00	\$10.20
Countryside Care Center	\$23.75	\$30.00	\$6.25
Shelby Manor	\$7.29	\$30.00	\$22.71
Portage Manor	\$30.40	\$35.00	\$4.60
Tippecanoe Villa	\$24.20	\$30.00	\$5.80
Carroll Manor	\$17.83	\$30.00	\$12.17
Maplewood Home	\$12.86	\$30.00	\$17.14
Woodland Acres	\$25.61	\$30.00	\$4.39
Lakeview Home	\$8.53	\$30.00	\$21.47
<b>Average</b>	<b>\$20.87</b>		<b>\$9.35</b>

Note: \* Current rates are before any client spend down

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** If the total cost of all non-medical services exceeds the amount that

the home can collect from the resident and the maximum state rate, the county is responsible for the difference. One county home (Byron Residential Center) has a rate that is currently higher than the proposed maximum rates. Allen County may incur additional expenses for this center if expenditures exceed the state rate and resident contribution.

**Explanation of Local Revenues:** See *Explanation of State Expenditures*.

**State Agencies Affected:** Family and Social Services Administration.

**Local Agencies Affected:** County Homes.

**Information Sources:** Amy Kruzan, Legislative Director, Family and Social Services Administration, 317-232-1149.

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